

Message Text

LIMITED OFFICIAL USE

PAGE 01 TUNIS 03098 281545Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 DOE-15 SOE-02 XMB-02

TRSE-00 OMB-01 /051 W

-----091468 291748Z /43

R 281115Z APR 78

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 895

INFO AMEMBASSY ALGIERS

AMEMBASSY BELGRADE

AMEMBASSY ROME

AMEMBASSY VIENNA

USDOC WASHDC

LIMITED OFFICIAL USE TUNIS 3098

DTOO ALSO PASS DEPT OF ENERGY AND EXIMBANK

E.O.11652: NA

TAGS: NERG TS AG IT

SUBJ: NEGOTIATIONS UNDERWAY FOR GOT PURCHASE

OF ALGERIAN GAS

1. NEGOTIATIONS ACTIVELY UNDERWAY SINCE LATE FEBRUARY FOR TUNISIAN PURCHASE OF ALGERIAN GAS TO BE DELIVERED VIA ALGERIAN-ITALIAN PIPELINE WERE PURSUED LAST WEEK IN ALGIERS BY GOT TEAM HEADED BY SECRETARY-GENERAL OF INDUSTRY, MINES AND ENERGY RIDHA ZRIBI AND ALSO INCLUDING ENERGY EIRECTOR KHELIFA KAROUI, STATE OIL COMPANY (ETAP) PRESIDENT AMOR ROUROU AND PRESIDENT DESIGNATE FOR MISKAR GAS PROJECT KAMEL REKIK.

2. NEGOTIATIONS, WHICH ARE DIRECTED TOWARDS LONG-TERM TUNISIAN PURCHASE OF RISING VOLUME OF ALGERIAN GAS (UP TO 1.2 MILLION CUBIC METERS ANNUALLY), REACHED ADVANCED STAGE BUT BITAL INGREDIENT STILL MISSING IS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TUNIS 03098 281545Z

WHAT "GOOD NEIGHBOR" DISCOUNT GOA PREPARED TO GIVE TUNISIANS COLOR SALES PRICE TO ITALIANS. (BOUMEDIENNE IS SAID TO HAVE SOME MONTHS AGO PROMISED UNSPECIFIED POLITICAL DISCOUNT.) GIVEN THAT PRICE AT WHICH GAS SOLD TO ITALIANS AT ALGERIAN-TUNISIAN BORDER BORDER BELIEVED TO BE 35 PERCENT BELOW THERMAL EQUIVALENT IN FUEL OIL (AND INDEXED TO MAINTAIN THIS RELATIONSHIP), ANY FUR-

THER REDUCTION WOULD MAKE GAS VERY ATTRACTIVE PRO-
POSITION TO GOT. HOWEVER, TUNIISIA NS SAY THAT PRECI-
SION IN RESPECT TO DISCOUNT PROBABLY WILL TAKE SOME
TIME SINCE THIS COULD WELL NECESSITATE DISCUSSIONS AT
PRESIDENTIAL OR PRIME MINISTERIAL LEVEL.

3. NEGOTIATIONS IN RESPECT TO PURCHASE OF ALGERIAN
GAS ARE IN PARALLEL WITH STUDY FOR TEN-YEAR TUNISIAN
ENERGY POLICY AND CONTINUEING PREPARATORY WORK (EXA-
MINATION OF BIDS, ETC.) FOR MISKAR OFFSHORE GAS PRO-
JECT. OUTCOME OF NEGOTIATIONS WITH ALGERIAN LIKELY
TO BE ONE MAJOR ELEMENT IN ULTIMATE GOT DECISION WHE-
THER TO PROCEED DIRECTLY WITH MISKAR, OR DELAY ITS
IMPLEMENTATION.

4. FOR ALGIERS, VIENNA AND BELGRADE: EMBASSY IN-
FORMED THAT NEGOTIATIONS ARE AT ADVANCED STAGE BE-
TWEEN SONATRACH AND AUSTRIAN AND YUGOSLAV STATE PUR-
CHASERS FOR TOTAL OF AT LEAST 3 BILLION CUBIC METERS
OF NATURAL GAS ANNUALLY, WHICH WOULD BE DELIVERED VIA
SAME ALGERIA TO ITALY PIPELINE TRANSITTING TUNISIA.
TUNISIAN OFFICIALS SAY THIS ADDITIONAL THROUGHTPUT
WILL NECESSITATE SOME UPGRADING IN PLANNED CAPACITY
(INCREASED PUMPING POWER) FOR 48-INCH PIPELINE.
RATHER THAN VIEWING THIS WITH DELI-
VERY CAPACITY FOR TUNISIA, THEY NOTE THAT INCREASE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TUNIS 03098 281545Z

TIN TOTAL PIPELINE CAPACITY WILL INCREASE BOTH TRAN-
SIT DUES PAYABLE TO TUNISIA AND ABSOLUTE VOLUME
CORRESPONDING TO THE APPROXIMATELY 10 PERCENT MARGI-
NAL CAPACITY WHICH GOT COULD EXPECT TO UTILIZE FOR ITS
OWN ACCOUNT. MULCAHY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, PETROLEUM PRODUCTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 28 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TUNIS03098
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780184-0298
Format: TEL
From: TUNIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978043/aaaaabvb.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6c2954a9-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2886145
Secure: OPEN
Status: NATIVE
Subject: NEGOTIATIONS UNDERWAY FOR GOT PURCHASE OF ALGERIAN GAS
TAGS: ENRG, TS, AG, IT
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/6c2954a9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014